Licensors of intangible property should not be subjected to taxation by states on which they impose no costs and from which they derive no benefits, without a determination by this Court that such taxation is consistent with the limitations of the Commerce Clause.

CONCLUSION

The decision of the court below would substantially extend the reach of state taxing powers to companies having no contact with the taxing state by interpreting significant constitutional limits on these powers so narrowly as to effectively eliminate them. In addition, this case squarely presents for decision an important issue left unresolved by *Quill, i.e.*, whether the physical presence test reaffirmed by *Quill* applies to state taxes other than sales and use taxes. Many thousands of franchised and other businesses will be significantly affected by the resolution of these issues and are highly vulnerable to continuing uncertainty and substantial tax and compliance burdens in the absence of guidance from this Court. For these reasons, the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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